Mass merchandisers moving up

By Belinda Hulin-Salkin

Retailing to the mass market isn't what it once was. For one thing, this market is trading up: It is better educated, more affluent and more discriminating than ever.

In an effort to capture its individual hearts, minds and wallets, mass merchandisers today are spending millions of dollars to overhaul their stores, product lines and personalities. According to industry observers, the sound and fury of these giants' efforts to keep up with the times is having a tremendous impact on the retail marketplace.

"The influence of the major chains is felt throughout the industry," says veteran retail analyst Walter Loeb. "And all of the major merchandisers have made great strides in revamping their merchandise and updating the look of their stores."

According to Mr. Loeb, the U.S. has a store excess of about 47% and mass merchandisers such as Sears, Roebuck & Co., J.C. Penney Co. and Montgomery Ward & Co. are responding by cutting poorly performing lines, upgrading store presentation and raising merchandise standards.

For Sears, the emphasis is on the future. In 1983, the company launched its "store of the future" concept and embarked on a five-year, $1.7 billion capital investment program to build 62 new stores and retrofit 600 existing stores on the new model. According to G. Joseph Reddington, vp-marketing, Sears Merchandising Group, the store of the future program is based on a fairly simple premise.

"When the merchandise is right and it is displayed properly, it sells better," he says. "To that end, the layout of the store has been changed so the merchandise is where the customer expects to find it."

Aside from arranging merchandise into logical groups, Sears also added national name-brand merchandise to its own portfolio of longstanding private labels. "We added those brands that we felt would help us attract customers who might not have stayed with us for those particular items," Mr. Reddington says.

In addition to physical plant improvements and merchandise line additions, Mr. Reddington says upgraded Sears stores will give more floor space to apparel and home fashion departments, customer transaction time will be cut in half through computer-register price programing, and store areas will be predesignated for different levels of customer service depending on merchandise categories. The goal of these and other improvements is not so much to get people into the stores as it is to get them to buy more once they've arrived.

Although the Sears store of the future gives more space emphasis to soft line product groups, the company still is maintaining a heavy presence in its traditionally strong hard lines. In contrast, J.C. Penney has given up its major appliance, hardware, lawn and garden, and automotive centers as part of its $1 billion modernization and repositioning program begun in January, 1983.

"We dropped those departments because they weren't doing that well," Duncan Muir, Penney's public relations manager, says. "We are mostly located in regional shopping malls, and when our customers go into a shopping mall, fixing the car is not on their mind."

What is on their mind, Mr. Muir says, is fashion—both for the home and the individual. In keeping with that premise, Penney's has restructured its soft-to-hard lines ratio from 60-40 to the current 75-25, adding a new mix of fashion-oriented merchandise including the much-touted Halston III line. To showcase its new fashion statement, about 550 of the company's medium and large store interiors are being revamped.

"Recent research has shown that the J.C. Penney customer and the department store customer are the same, but she is going into the department store 17 times a year and going into J.C. Penney nine times a year. We're out to get more of that department store traffic," Mr. Muir says.

This fall the company will show its international chic with a four-week "Salute to Italy" beginning Sept. 16. The storewide event will feature such promotional events as a personal appearance by Sophia Loren in several markets, a retrospective of her works, appearances by Italian chefs, goldsmiths and artisans, all eager to show and sell.

> **"We've become trendier and much more conscious of fashion to attract a more contemporary customer."**
>
> *—Charles Miller*
> *Montgomery Ward & Co.*

According to Mr. Muir, Penney's is spending $10 million on advertising and promotion for the event, more than half of which will be allocated to a national ad campaign. In 1983, the company's total advertising expenditure reached $381 million, up from $314 million in 1982, an increase largely attributable to repositioning support.

Although Sears and Penney's both have generated a lot of attention with their renovation efforts, some industry observers say they believe Montgomery Ward may be the real sleeper of the mass-merchandising marketplace.

Like its larger retail counterparts, Ward's has added national brand items when appropriate and has upgraded its presentation to attract an upscale, quality-conscious mall shopper. And, like Sears, it continues to retain a strong franchise in hard line merchandise. But Ward's has taken the idea of related merchandise groupings a step further then the competition with its seven "store" strategy.

According to Charles Miller, executive vp-marketing, the company identified seven merchandise groupings: Home, apparel, appliance, automotive, electronics, home care, and recreation and leisure. The units could be self-contained and when grouped together would equal a complete department store.

"We opened a prototype of our Home Store in the Colorado Springs Montgomery Ward at the end of May," Mr. Miller says. "We're testing these units individually to see if they are as exciting to shoppers as they are to us."

The prototype Ward Home Store is a 27,000-sq.-ft. section inside the 100,000-sq.-ft. Colorado Springs store. In Las Vegas, the company is testing its electronics store and its automotive store.

"This approach allows us to be much more focused in our offerings," Mr. Miller says. "We've become trendier and much more conscious of fashion to attract a more contemporary customer."

Depending on these test performances, Ward's may be fielding a full specialty-selling prototype store in 1985. In the meantime, the company is continuing to upgrade its existing 323 retail stores at a rate of 60 a year, with 100 renovations already completed. The company is undergoing what is by all reports considered a turnaround, with announced earnings of $40 million in 1983, a $133 million improvement over its 1982 loss of $93 million and its first profitable year since 1979.

With few exceptions, Sears, Penney and Montgomery Ward have dropped their regional advertising efforts for a more centralized, national approach. Executives with the major retail chains give various reasons for the switch, including the need for a unified advertising program and increased efficiency, but the end result has been what one advertising executive calls "a wholesale rush out of r.o.p. [run of paper] and into preprint."

B. Christopher Jackson, vp-chain store sales for the Newspaper Advertising Bureau in New York, attributes this preprint phenomenon to what he calls the five C's: Cost, coverage, conformity, control and color. But he doesn't expect mass retailers to stay out of r.o.p. forever.

"My own feeling is that the major multimarket retailers don't have any more dough to take out of r.o.p. and put into preprint," he says. "Some of the major stores are already starting to rediscover r.o.p. It's a trickle, but I think in a year or so, it will be a noticeable trend."

While the four-color preprint may be the most prominent advertising format development for mass merchandisers, it is the ad presentation that interests some observers, who say the stores have been very careful to follow their repositioning efforts through to the last item of promotional literature.

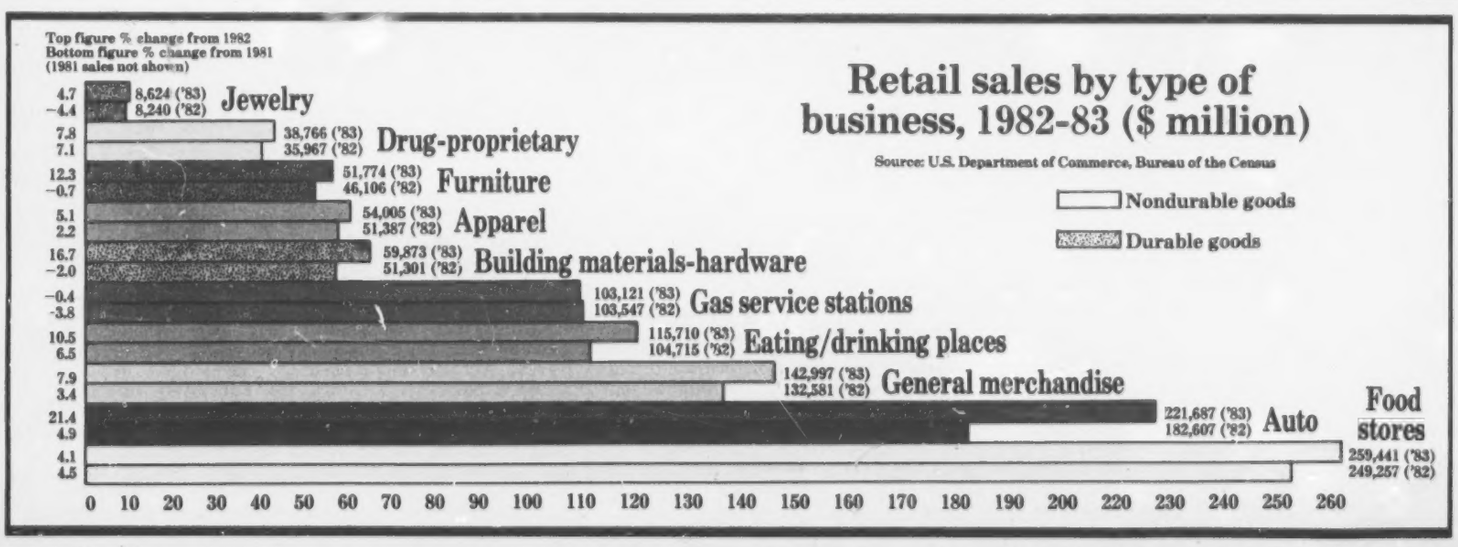
According to Alfred Eisenpreis, vp-retail marketing, Newspaper Advertising Bureau, the most impressive aspect of the entire repositioning trend in mass merchandising is that the individual retailers have approached the situation by playing to their own strengths and acknowledging their weaknesses.

"In the '60s and '70s there was a lot of marketing done that was based on the way retailers wanted people to see them, and not based on reality," he says. "Now it's clear that these companies have thought a lot about who they are and why customers shop their stores.

"They took a good look at their customers and where the market was heading, and they made changes that are very true to their basic identities.

"It seems to me, we're at the beginning of a major thrust in mass retailing."

Belinda Hulin-Salkin wrote an industry perspective for last year's retail marketing Special Report.



at presstime

Wine line positioned especially for women

SAN FRANCISCO—ISC Wines of California is introducing a new line of table wines under the Lejon label. The wines will be packaged, positioned and advertised specifically toward women. Color page ads breaking this fall in women's and food magazines, as well as *People*, are headlined "Lejon: The art of sharing." Foote, Cone & Belding handles.

Other late news

● UNIONDALE, N.Y.—**Avis** is entitled to injunctive relief and can seek corrective advertising for an ad claim made by Hertz Corp., a federal district court judge has ruled here. The decision came in a lawsuit filed by Avis, a Garden City, N.Y.-based car-rental company. The suit accuses New York-based Hertz of violating federal and state laws prohibiting false advertising. The suit challenged a national campaign—via Scali, McCabe, Sloves—in which Hertz claimed "Hertz has more new cars than Avis has cars." In his decision, Judge L.D. Wexler said that Hertz ads "had a tendency to and indeed did deceive the public."

● NEW YORK—**James Foster**, exec vp-general manager, Brouillard Communications, will succeed Joseph Brouillard as president-chief executive officer of the agency. The move takes effect on Jan. 1, 1985, when Mr. Brouillard retires.

● NEW IBERIA, LA.—**Bruce Foods Corp.** is mulling test-market results in preparation for rolling out Casa Fiesta Mexican food products. The new brand and packaging design replaces the Ashley's of Texas name, which is being discontinued. Unspecified test markets are supported by newspaper and tv, via DiIorio, Wergeles, New York.

● CHICAGO—**Beatrice Cos.** has announced the completion of its merger with Esmark. It completed the process by merging Esmark into a Beatrice subsidiary (AA, May 24), L.A. Acquisitions Corp. Beatrice now becomes the nation's largest food marketer, with annual sales of more than $13 billion.

● WHITE PLAINS, N.Y.—**NYNEX Business Information Systems**, a subsidiary of NYNEX Corp., has awarded its sales-force ad campaign to Young & Rubicam. The campaign, a new advertising venture for NYNEX, will position its sales force for potential customers, medium and large-size business users of telecommunications products and services. The budget for the the rest of 1984 will be at least $1 million for the campaign. The print and tv campaign will break in September. Cabot Advertising, Boston, continues to handle advertising for the business systems unit of NYNEX Business Information Systems.

● TAYLOR, MICH.—**Masco Corp.** is halting production of its line of cordless telephones and selling its Electra Scanner radio line to Uniden Corp. Masco is shifting its efforts from personal-communication products to "other specialty consumer items," the company says. Despite a 58% sales decline in personal-communications products, Masco reported a record $33.9 million net profit in the second quarter, up 30% from the second quarter of 1983, on sales of $314 million.

● HOUSTON—**Oshman's Sporting Goods** is bringing Abercrombie & Fitch back to New York this fall with a new store. The original Abercrombie & Fitch closed in late 1977, after which Oshman's bought the trademarks. There are now 16 Abercrombie stores in the U.S.

● NEW YORK—**Tri-State Cadillac Dealers Assn.**, New York, will break a new image campaign Aug. 22 on local tv stations in metro area markets. Spots by Avrett, Free & Ginsberg will stress the performance characteristics of 1985 Cadillacs.

● LA CROSSE, WIS.—**G. Heileman Brewing** is test-marketing its Rainier beer in Kansas City, Mo., with an eye to expanding the brand beyond its primary market in the northwestern states. Rainier L.A. has not been included in the test.

● BURBANK, CAL.—**Irwin Jacobs**, who owns 6.3% of Walt Disney Productions, is trying to force the studio to call a special stockholders meeting to vote on the proposed acquisition of Gibson Greeting Cards. Mr. Jacobs opposes acquisition of Gibson by Disney. Observers see Mr. Jacobs' move as the first step in an effort to gain control of Disney.

● NEW YORK—**MTV: Music Television** has entered into an agreement with Asahi Broadcasting Corp. to broadcast several hours of MTV programing weekly on Japanese network and local tv. MTV will debut in Japan in October with the programing to be presented in the same format as in the U.S.; certain elements will use Japanese subtitles.

● SAN ANTONIO—**A personal-injury suit** against General Motors Corp., Detroit, was expected to begin late this week in Bexar County court here. The suit, which seeks $50 million in damages, alleges that advertising for Pontiac's Trans Am caused a driver to believe the car could perform stunts such as those in the film "Smokey and the Bandit." GM's attorneys have denied reports that they would subpoena actor Burt Reynolds, who appeared in the film and in videotape clips of the film used as advertising by some Pontiac dealers. Attorneys also denied that John DeLorean, who spearheaded research on the Trans Am while he was at GM, would be subpoenaed. The plaintiff is a Trans Am passenger who was paralyzed and suffered brain damage in the auto accident four years ago.

● **NEWSLINE: United Technologies Automotive Group**, Dearborn, Mich., and Grundig AG, Fuerth, West Germany, have formed a joint-venture company to develop and market automotive components in Europe, starting in 1985. . .**Chesebrough-Pond's**, Greenwich, Conn. is using radio for the first time in several years to advertise Ragu Homestyle spaghetti sauce. The company also is using the medium for the first time to promote Ragu Pizza Quick brands. Waring & LaRosa, New York, handles. . .**Nabisco Biscuits**, East Hanover, N.J., is introducing nationally Crunchy Trio snack thins and is testing Sunflower snack thins in Milwaukee and other undisclosed markets. Both are getting print and couponing support via Ohlmeyer Communications, New York. . .**Compath National**, San Francisco, a marketer of business telephones, has moved its account to **Scroggin & Fischer** from Mendelsohn & Adler. . .**Wallace Westphal** to the new post of director of retail marketing at Television Bureau of Advertising, New York, from president of Westphal's.

Projected performance for Fall programs

Share is the percentage of tv homes with sets in use during a given time period. These estimates were arrived at by *Advertising Age*, which averaged figures computed by various ad agencies. The agencies used their own estimates on how programs will fare in the Nielsen ratings in negotiating multi-million-dollar upfront buys for their accounts. All times are Eastern time. Shaded area indicates new program.

		7:00	7:30	8:00	8:30	9:00	9:30	10:00	10:30
Monday	ABC			Streethawk 21		NFL Monday Night Football 31			
	CBS			Scarecrow & Mrs. King 28		Kate & Allie 27	Newhart 27	Cagney & Lacey 28	
	NBC			Tv's Bloopers & Practical Jokes 29		NBC Monday Night at the Movies 27			
Tuesday	ABC			Foul-ups & Blunders 22	Three's a Crowd 24	Paper Dolls 25		Jessie 24	
	CBS			AfterMASH 23	E.R. 21	CBS Tuesday Night Movie 27			
	NBC			The A Team 36		Riptide 27		Remington Steele 28	
Wednesday	ABC			The Fall Guy 32		Dynasty 37		Hotel 37	
	CBS			Charles in Charge 20	Dreams 19	CBS Wednesday Night Movie 21			
	NBC			Highway to Heaven 23		Facts of Life 27	It's Your Move 22	St. Elsewhere 21	
Thursday	ABC			People Do Craziest Things 19	Who's the Boss 19	Glitter 18		20/20 22	
	CBS			Magnum, P.I. 35		Simon and Simon 36		Knots Landing 34	
	NBC			Bill Cosby Show 23	Family Ties 24	Cheers 24	Night Court 23	Hill Street Blues 29	
Friday	ABC			Benson 27	Webster 27	Hawaiian Heat 18		Matt Houston 24	
	CBS			Dukes of Hazzard 24		Dallas 41		Falcon Crest 36	
	NBC			"V" 24		Hunter 22		Miami Vice 19	
Saturday	ABC			T.J. Hooker 27		Love Boat 33		Finder of Lost Loves 29	
	CBS			Airwolf 17		Mickey Spillane's Mike Hammer 26		Cover-Up 23	
	NBC			Diff'rent Strokes 25	Gimme a Break 23	Partners in Crime 22		Hot Pursuit 21	
Sunday	ABC	Ripley's Believe It or Not! 21		Hardcastle & McCormick 25		ABC Sunday Night Movie 31			
	CBS	60 Minutes 39		Murder She Wrote 25		Jeffersons 27	Alice 25	Trapper John, M.D. 27	
	NBC	Silver Spoons 17	Punky Brewster 12	Knight Rider 27		NBC Sunday Night at the Movies 26			

Newcomers to watch: 'V,' 'Lost Loves' and 'Murder'

NEW YORK—Winners and losers in this fall's prime time tv war have already been projected by the various ad agencies, but it remains to be seen if the viewers will agree with those educated guesses.

The agencies came up with their fourth-quarter audience share estimates weeks ago to support their bargaining positions while negotiating their best upfront prices with the three tv networks.

They anticipate a few promising new programs, but no real blockbusters. The accompanying chart represents an average for each program, for the fourth quarter only.

■ CBS once again is favored to overpower its rivals in the fourth quarter, when ABC again should finish as the runner-up. As more than one agency media expert said, the homes ratings gap between the No. 1 and No. 3 network is expected to be just under two ratings points, as opposed to 3.5 points three years ago.

Of the new series slated to appear in fall prime time, five proved to be the most promising in this agency share survey.

On CBS: "Murder She Wrote," whose 25 share average owed a good deal to its "60 Minutes" lead-in. On ABC: "Finder of Lost Loves," with its format and share outlook not too different from predecessor "Fantasy Island," and "Paper Dolls," a prime time soap opera with a projected 25 share average. On NBC: "V," its 24 share coming from a hardcore audience presold by two miniseries, and "Highway to Heaven," a 23 average for Michael Landon's latest venture.

When it came to individual shows' performances, not all the agencies agreed on the possible autumn outcome.

For instance, ABC's "Paper Dolls" went as high as a 27 share in some agencies' share reports; CBS' "Charles in Charge" ranged from a low of 21 to a 24 share peak by various agencies' reckoning, and NBC's "Bill Cosby Show" was seen as a 20 share show by at least one shop but a 24 by another.

■ Some of the most widely divergent estimates involved NBC's Friday and Sunday programing, reflecting how much or little the various agencies agreed with NBC's rationale for its programing moves on those nights ("V," "Hunter" and "Miami Vice" on Fridays and "Silver Spoons" and "Punky Brewster" leading off its Sunday lineup). "Silver Spoons" ranged from a 15 share low to a 21 high in various agencies' reports on the Sunday 7 p.m.-to-7:30 p.m. span, with "Punky Brewster" showing up at anywhere from a 20 share to an 18.#

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Advertising Age®

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Airwick's ad is no laughing matter to C&D

By NANCY GIGES

Church & Dwight is putting up a stink about a new campaign by Airwick that suggests C&D's rival Arm & Hammer product doesn't smell good.

The Piscataway, N.J., marketer of deodorizing products under the Arm & Hammer name has appealed to the Big 3 networks after failing to persuade Airwick to stop the ads for Carpet Fresh. A C&D official said the advertising is false, misleading and deceptive.

He noted that the company also objects to the photograph in a print ad—"the picture is uncalled for," he said—not to mention the claims suggesting that Airwick's Carpet Fresh is the preferred product.

The ad, with the headline "Nose bulletin. 93% of expert noses preferred Carpet Fresh," shows a man smiling as he smells Carpet Fresh, while another man is holding his nose while sniffing a box of Arm & Hammer. An accompanying chart lists several foul odors tested and lists Carpet Fresh as overwhelmingly preferred to Arm & Hammer as based on test results of a panel of trained professionals.

The C&D official said, "They do not have, nor could they

(Continued on Page 68)

People Express, the Newark-based discount airline, touts its new Chicago-New York route with newspaper ads breaking today.

American joins United to blunt People fare cut

By SCOTT HUME and ROBERT RAISSMAN

United Airlines and American Airlines, engaged in a stare-down contest with People Express Airlines, are slicing fares and cooking up supporting advertising to beat back the upstart's upcoming foray into the Chicago market.

The actions come as People breaks ads today for discount fares for its Newark-to-Chicago route. The moves and countermoves are shaping up as the biggest domestic air-fare war so far this year.

The response by United, the principal carrier at Chicago's O'Hare International Airport, was quick but "measured," as one analyst put it. John Zeeman, senior vp-marketing of Chicago-based United, said that although his carrier was cutting fares, it would not match People's prices because United offers more comforts than the no-frills People.

American Airlines late Friday said it would match United fares for its five Newark-Chicago flights, and on selected flights from LaGuardia. Ad plans, via Bozell & Jacobs, were being formed.

The concerns of these airlines and others come after Newark-based People announced last week that it will launch five round-trip,

(Continued on Page 66)

last minute news

New complex makes first McStop in Minneapolis

OAK BROOK, ILL.—McDonald's Corp. is planning a multibusiness project dubbed McStop in Lakeville, Minn., near Minneapolis, with construction possible in November. The complex would include a large McDonald's restaurant, a convenience store, a gas station with car wash and a motel, most likely a franchised Super 8, sources said. McDonald's will own the real estate and restaurant, and lease the remaining facilities to others. Also, McDonald's has been awarded an exclusive 10-year contract for restaurants at U.S. Navy installations. Forty units will be involved initially, but the Navy has the option to increase that number to 300.

Atari purchase may indicate new direction

SUNNYVALE, CAL.—Atari has ordered $130 million in disc drives from Tandon Corp., Chatsworth, Cal. This is the first indication that new Atari

(Continued on Page 8)

No Olympic make-goods, a relieved ABC declares

By DIANE MERMIGAS

ABC was able to deliver the jubilant declaration it had hoped to make as its exclusive coverage of the Summer Olympics roared to a close Aug. 12.

"There will be no make-goods. There will be no adjustment in the prices that were set. There is just no need because we have delivered the target audience as projected," said John Lazarus, vp-ABC sports sales.

The high ratings, which remained consistent or improved as American athletes racked up more gold, have provided ABC with less of a reason to pursue a reduction of its tv rights fees. Before the games, ABC and the Los Angeles Olympic Organizing Committee were discussing an equitable rebate to compensate the network for any ratings or financial fallout resulting from the Soviet-led boycott.

Roone Arledge, president of ABC News and Sports, told ADVERTISING AGE that the network would

(Continued on Page 66)

AD AGE AWARDS OLYMPIC AD GOLD

ADVERTISING AGE picks the gold medalists in "team advertising," that unofficial Olympics event that's been running between ABC's coverage of the Los Angeles games. *(See Page 64.)*

Business is brisk for the games' official still photographer, who says corporations and ad agencies are lining up to buy. *(See Page 66.)*

McDonald's Big Mac giveaway, swollen by the runaway success of the U.S. Olympic team, has caused scattered shortages of the sandwich. *(See Page 66.)*

Star Presenter Cleese taps U.S. funny bone

By SEAN MILMO

LONDON—John Cleese's commercials are among the funniest around, but he takes them very seriously.

So does ADVERTISING AGE, which has selected the British comedian, known for his contributions to the irreverent "Monty Python's Flying Circus" British tv series, as its Star Presenter for 1984.

Mr. Cleese was chosen from among more than 60 celebrities who endorse nationally advertised products and was cited for his work on ad campaigns for American Express Co., Callard & Bowser, Compaq Computer Corp., Kronenbourg USA and Sony Corp. of America.

He is the second Englishman to receive the award. Actor Robert Morley was chosen in 1980 for his British Airways work.

Mr. Cleese went into commercials 12 years ago, intending to make them a way of life. Now 45 years old, his expertise is in such demand that he is regularly making commercials not only in the U.K. and the U.S., but also in Australia, Hong Kong, the Netherlands and Scandinavia (AA, Nov. 7).

As the thinking man's comic, he takes the intelligent approach to the job of a presenter.

To him, humor needs to be exactly on target to work. Even in the early days of his advertising career, Mr. Cleese rejected scripts he thought were slightly off—if only for the sake of his own reputation.

If he finds he likes an idea, he will write most of the commercial himself to get it into the shape he wants.

Mr. Cleese wrote large chunks of the crackpot "Monty Python" tv series and all of his tv sitcom, "Fawlty Towers," about a frenetically bumbling British hotel keeper.

So writing commercials has presented no problems.

Voice (off camera): I see you're taking your computer home.
John Cleese: Yes, Mr. Prince

(Continued on Page 60)

In a tv spot for Compaq Computer Corp., via Ogilvy & Mather, John Cleese portrays a businessman who made a "sound but wrong" decision to buy a well known computer without considering Compaq.

"If you keep to one copy point, you can be entertaining. With two, you can be fairly entertaining. With three, you mig

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NEWSPAPER

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Carlton Importers is among the import beer marketers pursuing Amstel Light with a new light beer. Nordik Wolf Light is described in ads as "the boldest of light beers. . .A smooth, less filling beer with a rich, full-bodied flavor that's unmistakably imported." The beer, now available in limited U.S. markets, will be launched nationally next year. Agency for the brand is Henderson Advertising, Greenville, S.C.

Beck's and Molson join light beer arena

By GAY JERVEY

Latching onto the "less is more" trend mobilized by Van Munching & Co.'s Amstel Light beer—not to mention Miller Brewing's Lite—several importers soon will introduce new brews that are low in calories but high in panache.

In coming months, importers of Beck's from Germany and Molson from Canada will launch their first low-calorie brands in the U.S.

And that's not all: Carlton Imports is gearing for an early 1985 national launch of its Nordik Wolf Light, currently available in selected U.S. markets.

The Beck's entry, from Greenwich, Conn.-based Dribeck Importers, is quietly being paraded by distributors in various parts of the country. It will be called Roland, named for the medieval warrior who defended the Christians against the Saracens, according to the legends of Charlemagne. Like Miller Lite, Roland reportedly will weigh in at 96 calories, a tad above Amstel's 95.

Martlet Importing, Great Neck, N.Y., will opt for a simpler, less historic designation for its new entry,

(Continued on Page 68)

Miller testing Sharp's L.A.

MILWAUKEE—Miller Brewing today is introducing its entry in the low-alcohol beer market.

Called Sharp's L.A., it will be test-marketed initially in Atlanta; Houston; San Diego; Columbus, O., and Springfield/Champaign, Ill.

Advertising, themed "It's smart to say Sharp's, the great-tasting beer that just happens to have half the alcohol," breaks Aug. 20 in those markets. A company spokesman said tv and radio spots will feature humorous tongue-twisters. Print ads will use humorous cartoons.

Leo Burnett USA, Chicago, handles.

Miller's suit against Anheuser-Busch, seeking a judgment that the L.A. initials are usable on any low-alcohol beer, is still in the early stages.

FCC delay doesn't slow 12-12-12 foes

By MAURINE CHRISTOPHER and STEVEN W. COLFORD

Opponents of the Federal Communications Commission's new 12-12-12 rule are not satisfied with the commission's sudden decision last week to postpone the revamp of its key tv station ownership rule, and they vow a continued fight for sharp revisions.

The FCC rule change, adopted only weeks earlier (AA, July 30), would permit common ownership of 12 tv stations, 12 am and 12 fm radio stations and called for phasing out all FCC limits on the size of broadcast station groups by 1990. The existing rule limits broadcast group size with a 7-7-7 formula.

The sudden retreat reflected the growing political unhappiness with FCC chairman Mark Fowler's approach to tv ownership policy, and the commission's decision to delay changes for six months, until April 1, 1985, came almost immediately after the Senate voted for a similar postponement.

FCC opponents, including the Motion Picture Assn. of America and some key congressmen, are attempting to force a different ownership formula on FCC, one that might restrict the Big 3 tv networks.

Many opponents say they are not against expansion, but they want controls based on a percentage of tv household reach.

In a few weeks, MPAA will petition for formal reconsideration of the FCC action, though this was promised by the FCC.

Senate sources think FCC chairman Fowler, the architect of 12-12-12, now would be willing to replace his numerical limit with a market-reach formula in the case of tv.

Meanwhile, the anger in the House and Senate has not abated. The Senate last week passed an amendment to ban the use of FCC funds to implement the 12-12-12 rule for tv until June 30, 1985. Later in a House-Senate conference that was changed to April 1.

The FCC's stay order said it was putting on the brakes only for tv station ownership since "it is that portion of the decision that has raised the greatest concern and it is our belief that a temporary stay of the tv portion of the rule change will ultimately benefit the public interest."

Jack Valenti, president of the MPAA and a leader in the fight against allowing ABC, CBS and NBC in particular to each own 12 stations, welcomed the FCC moratorium. "The delay affords an opportunity to go back and explore the central issue that has been obscured in the original [12-12-12] order—that is concern over the concentration of national tv power in the hands of the three networks," Mr. Valenti told ADVERTISING AGE.

The antitrust aspects of the FCC's proposed expansion of tv ownership will be explored by the Senate judiciary committee at a Sept. 11 hearing. Other committee hearings also are to be held, most likely when the new Congress convenes next year.

Turner Broadcasting System and other outspoken opponents of the 1990 "sunset" provision lifting all restrictions were happy the FCC will let the public be heard on an issue of such vital concern to viewers. On the other hand, there was widespread disappointment among large group owners such as Metromedia, CapCities and Cox.

Gloom was thick at the tv networks, which have temporarily at least—as happened with domestic syndication—lost a crucial battle in Congress after having won at FCC.

Meanwhile, there was almost total official silence from this sector. ABC and NBC had no comment. A CBS spokesman hoped this reevaluation period would produce support for 12-12-12 as originally hammered out.

highlights

Monday, August 13, 1984

Elizabeth Arden is taking cosmetics into the computer age with "Elizabeth." *See Page 10.*

If broadcasters want to sell more retail advertising, they should be willing to give their customers more exposure, even if it means doing news stories on big advertisers, says a top advertising executive. *See Page 14.*

Isuzu Truck of America has given its account for two new U.S. truck introductions to a California advertising agency. *See Page 28.*

The booming economy is pushing print media to a record year, according to figures from Publishers Information Bureau. *See Page 46.*

CompuShop, which kicked off its first major advertising blitz only five weeks ago, is finding out fast growth carries a high cost. *See Page 53.*

Analysts at Geers Gross think an inordinate number of new fall tv shows will make it in the 1984-85 season. *See Page 57.*

CORPORATE CLOSEUP

Before Liggett & Myers Tobacco Co. introduced generic cigarets in 1980, the company didn't get much respect among cigaret marketers. Now that L&M has pioneered that unexplored territory successfully, though, others are ready to follow. *See Page 4.*

INTERNATIONAL

Nestle S.A. is losing global market share in its infant-formula business largely because it is following United Nations' guidelines strictly and many of its competitors are not, according to Nestle sources. *See Page 38.*

The Singapore newspaper industry had been expecting war to break out when the afternoon *Monitor* announced plans to introduce a morning edition next year that would compete head-on with the *Straits Times*. But then the parent companies of the two papers made the surprise announcement that they were merging. *See Page 38.*

The entire 12-member executive committee of the Advertising Agencies Assn. of India has resigned as a result of a scandal involving the association's recent elections. *See Page 40.*

VIDEOTECH

Recent actions by the Supreme Court and the Federal Communications Commission appear to leave cable customers unprotected. *See Page 50.*

Hot director Steven Spielberg has made an "amazing" deal with NBC for a 1985 anthology show. *See Page 50.*

Off-network syndication market prices are rising, thanks in part to a shortage of network shows that run long enough to be sold for "stripping." *See Page 52.*

COMING THURSDAY

SPECIAL REPORT

Big-city newspapers have been fighting off challenges for years, and the battles continue. Now the dailies are facing the encroachment of suburban and neighborhood papers, penny-savers and other free papers.

REGULAR FEATURES

ACCOUNT CHANGES	12	OBITUARIES	53
ADBEAT	59	PHOTO REVIEW	24
ADVERTISING MARKETPLACE	55	PRESSTIME	8
AGENCY PEOPLE	62	PUBLIC RELATIONS	34
BRADY'S BUNCH	46	REGIONAL NEWS	48
COMING CONVENTIONS	30	RESEARCH BEAT	42
CON-SID-ERATIONS	18	RESEARCH PEOPLE	59
CORRECTIONS & CLARIFICATIONS	6	VIDEOTECH UPDATE	50
EDITORIAL	18	WORLD NEWS ROUNDUP	3
FOR THE RECORD	63		
FORUM	20		
GETTING PERSONAL	26		
LETTERS	22		
MEDIAMOVES	31		

FIGURES TO FILE

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Rusty Jones says hello to Beatrice

By JOANNE CLEAVER
Crain News Service

CHICAGO—Beatrice Cos. has acquired automobile rustproofer Rusty Jones.

The buyout occurred in June, but no announcement was made purportedly because of other pressing business—namely Beatrice's $2.8 billion takeover of Esmark.

The 16-year-old rustproofing company has enjoyed rapid expansion in recent years, racking up revenue growth of 20% in all but one of the last five years. Last year, sales hit $21 million.

Rusty Jones markets its rustproofing, paint protector and upholstery dirt and spot-guard services through automobile dealers in Florida, the Midwest and Northeast.

Company founder and president Michael Mater hopes Beatrice's marketing muscle will open the path to national distribution of Rusty Jones services.

"Beatrice has made public their intention to become a marketing-driven company," he noted. Given the tremendous success of his company's 8-year-old marketing program based on the animated Rusty Jones character, it's only logical that the company would catch

(Continued on Page 69)

Spirits industry beams over BATF review

By STEVEN W. COLFORD

WASHINGTON—It should be advertising as usual for the beer, liquor and wine industries now that the federal government has etched only minor changes into alcohol-promotion regulations.

It also has put off awhile longer any decision on more controversial issues.

The consensus was positive from the alcohol and advertising industries last week to the slow curtain being drawn by the Bureau of Alcohol, Tobacco & Firearms on the alcohol advertising review launched in 1978.

Comparative taste-test advertising was perhaps the only "hot" question that BATF tackled, and there the bureau retreated from its original proposal for specific testing criteria in favor of a broader regulation allowing "any scientifically accepted procedure."

The issue has roots in comparative ads that Taylor California Cellars, Gonzales, Cal., used in the late 1970s to put its brands up against competitors.

BATF's taste-test decision was "very useful" because it will allow advertisers to rely on the usual "false-or-deceptive" standard, said Dan Jaffe, senior vp-government affairs, American Advertising Federation.

Other controversial BATF proposals regarding athlete endorsements, voluntary industry codes and use of the terms "light" and "natural" will undergo yet another round of industry comments before 1985, said Roger Bowling, BATF coordinator for the regulatory review.

About the only sour notes came from advertising groups slightly annoyed at BATF's insistence on writing into its regulations a ban on subliminal advertising.

"There's nothing in there that is worrisome or that changes anything," said Chuck Adams, exec vp-Washington for the American Assn. of Advertising Agencies. "I don't think ads will change, but I was a little put off by their statement on subliminal advertising, almost implying that it was necessary to prohibit it even though it's not done."

If the bureau was going to revise its regulations to include a ban on subliminal advertising, then it might also have stated categorially that it found no evidence that such ads existed, AAF's Mr. Jaffe added.

The alcohol industry was even more sanguine about the BATF action that drops minimum type-size requirements for copy; relies on dictionary definitions for such terms as "false" and "disparaging," and allows use of the terms "pure," "double-distilled" and "triple-distilled" in "truthful distilled spirits ads."

The Distilled Spirits Council of the U.S. praised the final BATF regulations as being "part of the continuing evolution in the regulation of our industry toward what is appropriate."#

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'Modern Healthcare' to expand

DENVER—Crain Communications Inc.'s *Modern Healthcare* will increase its frequency to 26 issues a year beginning Jan. 4, publisher Charles S. Lauer said last week at the American Hospital Assn. convention here.

"By publishing every other week," said Mr. Lauer, "we will be able to provide our readers with even more timely news and additional editorial coverage. In today's rapidly changing healthcare industry, the executives who run America's healthcare institutions need information earlier than ever before." In 1984, *Modern Healthcare* went to 16 issues a year from 12.

The new publishing schedule calls for the magazine to arrive on readers' desks every other Friday. Said editor Donald E.L. Johnson, "*Modern Healthcare* is expanding its editorial staff and will put increased emphasis on breaking news stories."

Crain Communications acquired *Modern Healthcare* in 1976 from McGraw-Hill. Crain also publishes ADVERTISING AGE and 18 other business news magazines.#

corrections & clarifications

- Lempert Design & Marketing, Belleville, N.J., remains the agency of record for Universal Wines & Spirits' Pasta D' Italia (AA, Aug. 9, P. 1).
- In the Hearst Corp. profile in the 100 Media Companies issue (AA, June 28, P. 55), it should have stated *Redbook* single-copy sales were at 653,735 on Dec. 31, 1983, when total *paid* was at 4,019,611.
- Due to an editing error, a story reported that Roone Arledge, president of ABC News and Sports, offered remarks before the International Olympic Committee (AA, Aug. 9, P. 2). In fact, Mr. Arledge has not recently appeared before the committee.#

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